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THE PERISHABLE AGRICULTURAL COMMODITIES ACT

HOW IT AFFECTS YOU

This law, passed by Congress in June 1930, and later amended, is familiarly known to the produce trade as the P. A. C. Act or the P.A.C.A. Its purpose is to stop unfair and fraudulent practices in the marketing of fresh fruits and vegetables in interstate or foreign commerce. Relief is provided for those who suffer from such practices.

THOSE AFFECTED BY THE ACT: All dealers, commission merchants and brokers handling fresh or frozen fruits or vegetables which move from one State to another or from foreign countries, or to or within the District of Columbia. This includes truckers who buy in lots of one ton or more for resale in wholesale or jobbing quantities and large retailers who buy more than 20 lots of a ton or more in a year.

LICENSE REQUIREMENT: This law requires all dealers, commission merchants and brokers to have a license. Application on a prescribed form, with remittance of the license fee of \$10.00 by certified check payable to the "Treasurer of the United States," should be submitted to the Fruit and Vegetable Branch, War Food Administration, Washington, D. C., or one of the P.A.C.A. field representatives. The license is good so long as the yearly fee of \$10.00 is paid, unless it is suspended or revoked because of violation of the law.

PENALTY FOR OPERATING WITHOUT A LICENSE: As much as \$500 for each offense and as much as \$25 for each day operating without a license. Upon a showing that failure to secure a license was not willful, the Administrator

is authorized to reach a settlement by the payment of the back fees due and an additional sum not in excess of \$25.

RECORDS: The law requires that records be made of every transaction and that these records be preserved for at least two years. No particular system of records has been prescribed. The regulations, however, require:

1. A complete record of all produce received, showing date of arrival and unloading, car number, quantity or number of packages, name and address of consignor or seller, whether purchased or consigned and the disposition thereof.
2. Bills of lading, diversion orders, paid freight and other bills, car manifests, express receipts, letter and wire correspondence, inspection certificates, invoices, sales tickets, accounts of sales, papers relating to loss or damage claims against carriers, reconditioning or dumping and costs thereof, rebates and allowances, daily inventories by lots, and all other important papers relating to the shipment.
3. A lot number for each lot of goods received to be sold for the account of another and of purchased lots of similar produce being handled at the same time and of goods being reconditioned.
4. "Sales tickets shall bear printed serial numbers running consecutively. No number shall be repeated within any three-months' period. Each such ticket shall show the date of sale, the purchaser's name (so far as practicable), and the kind, quantity, and price of the produce. The original or a carbon copy of each sales ticket, including those voided or unused, shall be accounted for and shall be filed either by dates of sales or in the order of the serial numbers. If the sales tickets are filed in the order of the serial numbers, they shall be used in the order of these numbers."

#### SOME OF THE PRACTICES PROHIBITED

1. Failure to account promptly and correctly and to pay in full for produce received on consignment.
2. Failure to pay promptly the agreed purchase price of produce which complies with contract terms.
3. Rejection without reasonable cause of produce purchased or produce contracted to be handled on consignment.

4. Making of any false or misleading statement, for a fraudulent purpose, in connection with any transaction.
5. Failure to keep an adequate and correct set of records of the receipt and sale of produce.
6. Failure of a seller, without reasonable cause, to deliver produce sold or contracted to be sold or consigned.
7. Failure to pay earned brokerage or commission fees, and deficits sustained by commission merchants on produce handled on consignment.
8. Failure without reasonable cause to perform any duty, express or implied, arising out of any transaction.
9. Misrepresentation (misbranding), by stamp, stencil or label, the kind, grade, quality or quantity of the commodity.
10. Removal or changing in any way of any card or tag placed upon any container or railroad car, under Federal or State authority, containing a statement as to the grade, quality or State of origin of the commodity contained therein.
11. Changing or permitting the changing, without the consent of the inspector, of the contents of a load or lot of produce after it has been officially inspected.

RELIEF AGAINST UNFAIR PRACTICES: Anyone financially interested in a transaction covered by the law, including unlicensed growers or shippers, may request the help of the Administration. The Administration, without charge, will promptly communicate with the other party, make such investigation as may be necessary, endeavor to bring about an amicable informal adjustment, take formal action if necessary, give each party opportunity to present his side fully, determine the loss or amount of damages to be paid, and, if the violation is found to warrant such action, publish the facts and suspend or revoke the offender's license.

**APPEALS AND ENFORCEMENT:** The party losing a decision by the Administrator may file an appeal within thirty days with the U. S. District Court. A formal decision is prima facie evidence in such a court proceeding. If appeal is not taken as authorized and payment of the reparation is not made as ordered, the license of the party becomes automatically suspended until payment is made.

**HOW TO FILE REQUESTS FOR RELIEF:** Send a telegram or a letter to the Regulatory Division, Fruit and Vegetable Branch, War Food Administration, Washington, D. C., setting forth what has happened and giving such details as the names and addresses of the parties involved, date, car number, product, terms of sale, whether f.o.b. or delivered sale or consignment, and nature of the dispute. If request is made by wire, and the car is on track, undelivered, the Administration will wire the other party at once in an effort to settle the dispute. When request is sent by mail, all papers relating to the transaction, including the exchange of correspondence and evidence of loss suffered, must be submitted. Request for relief must be received within nine months of the time the violation or cause of action took place. The law applies only to shipments and transactions in interstate or foreign commerce.